
From: Hightower, Mike R. - Chief Public & Stakeholder Affairs Officer <highmr@jea.com>
Sent: Wednesday, November 21, 2018 4:57 PM
To: Wannemacher, Ryan F. - Chief Financial Officer
Subject: Fwd: CEO search

To keep u in the loop💎💎💎💎💎
Sooooo enjoy this evening...
All is going to be ok💎💎💎💎💎
Happy Turkey Day!!

Sent from my iPhone

Begin forwarded message:

From: "Hightower, Mike R. - Chief Public & Stakeholder Affairs Officer" <highmr@jea.com>
Date: November 21, 2018 at 4:52:52 PM EST
To: "susie@ballardfl.com" <susie@ballardfl.com>, Michael Munz <mmunz@daltonagency.com>, Aaron Zahn <afzahn@gmail.com>
Subject: Fwd: CEO search

Pls call if I can clarify my discussion w/ the Chair ..
He IS all about true Leadership💎💎💎💎💎
And told him so..
M

Sent from my iPhone

Begin forwarded message:

From: Alan Howard <ahoward@milamhoward.com>
Date: November 21, 2018 at 3:12:15 PM EST
To: "Becker, Ben (CMG-JacksonvilleTV)" <BBecker@ActionNewsJax.com>
Subject: RE: CEO search

[External Email - Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.]

Ben:

Nice talking to you. Here is my statement on the subject of the CEO search and, specifically, the withdrawal of Mr. McDermott, the assessments of the finalists by Heidrick & Struggles, and the suggestion that the search for a permanent Managing Director/CEO of JEA is somehow rigged in favor of Mr. Zahn.

The Search Committee and Board of JEA have engaged in a transparent, open and deliberate search process. A complete timeline of our CEO Search process is attached. Any suggestion that there is a predetermined outcome is disrespectful to the Board members who have given countless hours over the last 7 months to this process. It is also disrespectful to the candidates who have interviewed in good faith. And it is disrespectful to Mr. Zahn in that it implies he could not be selected on the basis of his own qualifications.

I personally spoke with Frankie McDermott, the finalist for the CEO position who withdrew his name from consideration this week. Mr. McDermott assured me that the sole reason for his withdrawal was family considerations. He and his wife have 3 children and 4 grandchildren that live within 3 miles of their home. While he initially discussed this with his family and believed they were comfortable with a move, as he became a finalist for the position, they had second thoughts. I take Mr. McDermott at his word.

The assessments of the candidates submitted to the Search Committee and prepared by Heidrick & Struggles represent the subjective opinions of the team members at Heidrick & Struggles based solely upon a review of the candidates' resumes and their experience levels in various categories. They are not "scores" and they were not assessments by the Search Committee or Board of JEA. Members of the Search Committee based their determination of the finalists recommended to the Board on their individual assessments and personal interviews of the candidates, together with how the candidates could meet the needs of JEA. In keeping with their fiduciary duty as directors, I expect the members of the Board to evaluate the candidates based on their own assessments of the candidates' qualifications. We will not abdicate our responsibility as directors by accepting the assessments of the search firm and simply hiring the person they ranked as most experienced in several categories. Most experienced does not always translate as most qualified for a position.

Call me if you have any further questions.

G. Alan Howard
Milam Howard Nicandri Gillam & Renner, P.A.
14 East Bay Street
Jacksonville, Florida 32202
Phone: (904) 357-3660
Email: ahoward@milamhoward.com

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-----Original Message-----

From: Becker, Ben (CMG-JacksonvilleTV) <BBecker@ActionNewsJax.com>
Sent: Wednesday, November 21, 2018 12:06 PM

To: Alan Howard <ahoward@milamhoward.com>

Subject: Re: CEO search

904-607-6789

Sent from my iPhone

> On Nov 21, 2018, at 11:11 AM, Alan Howard <ahoward@milamhoward.com> wrote:

>

> You didn't include your cell number.

>

> G. Alan Howard

> Milam Howard Nicandri Gillam & Renner, P.A.

> 14 East Bay Street

> Jacksonville, Florida 32202

> Phone: (904) 357-3660

> Email: ahoward@milamhoward.com

>

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> -----Original Message-----

> From: Becker, Ben (CMG-JacksonvilleTV) <BBecker@ActionNewsJax.com>

> Sent: Wednesday, November 21, 2018 9:56 AM

> To: Alan Howard <ahoward@milamhoward.com>

> Subject: CEO search

>

>

> Good morning Alan,

>

> I am looking for comment regarding

> Frankie McDermott dropping out and criticisms that the process is favored toward Aaron Zahn even though he has scored lower in the evaluations.

>

> Thanks,

> Ben

>

>

> Sent from my iPhone

CEO Search Timeline

VI. C.
11/27/2018

This item was added after the distribution of the Board package.

Compensation Committee Members

Kelly Flanagan (Chair)
Alan Howard
Husein Cumber
April Green

CEO Search Committee Members:

Husein Cumber (Chair)
Alan Howard
April Green
John Campion

Date	Action
April 17, 2018 (Board Meeting)	At the direction of the Board, Compensation Committee Chair Flanagan was requested to begin the request for proposal process to select an executive search firm.
May 14, 2018 (Compensation Committee)	<i>This meeting was open to the public, but was not streamed. Committee Meetings historically are not streamed.</i> Compensation Committee met for the purpose of reviewing the selection of an executive search firm for the recruitment of the permanent MD/CEO.
May 15, 2018 (Board Meeting)	At the Board Meeting, Compensation Committee Chair Flanagan reviewed the May 14 th Compensation Committee Meeting, and stated upon receipt of the proposals she narrowed the list down and conducted interviews with Heidrick & Struggles, Russell Reynolds, and ZRG. She identified two important criteria including the firm’s benchmarking and success statistics of hiring at the President/CEO, Board of Directors and senior management level, with the second criteria being fee structure. Committee Chair Flanagan stated that based on their experience at hiring at the President/CEO level, she recommends Heidrick & Struggles to conduct the search for the permanent position of the Managing Director/CEO. In transparency, she noted H&S has the highest fee structure of the three firms with 33% of the total compensation, Russell Reynolds at 30% with \$120K minimum, and ZRG at 29% with an \$89K maximum. Based on this structure, and for the purposes of understanding the materiality of the contract, Heidrick & Struggles could cost \$132K based on a \$400K salary for the Managing Director/CEO. Committee Chair Flanagan noted that Heidrick & Struggles’ experience outweighs the cost differential and noted Heidrick & Struggles is the recommendation as approved by the Compensation Committee at the May 14, 2018 meeting. Committee Chair Flanagan shared with the Board the final scoring for each firm: Heidrick & Struggles – 72 points, Russell Reynolds – 62 points, and ZRG – 65 points. Board Chair Howard called for a Board Workshop prior to the June Board Meeting to develop a process and timeline for the permanent CEO position. Board Members held discussions regarding the selection of the CEO search firm. Upon motion by Committee Chair Flanagan and second by Mr. Cumber, to engage Heidrick & Struggles as the executive search firm, the Chair requested a roll call vote: Cumber – Yes,

	<p>Flanagan – Yes, Green – No, Newbill – Yes and Chair Howard – Yes. The motion passed and direction was provided to Ms. Hiers to begin working with Heidrick & Struggles to provide a contract to Ms. Brooks.</p> <p>Chair Howard requested staff to schedule a workshop with the purpose to formulate a process and timeline for the permanent MD/CEO position.</p>
<p>June 19, 2018 Board Workshop</p>	<p>The purpose of the workshop is to discuss the search process for the permanent CEO position. Kay Fuhrman and Sean O’Neal with the executive search firm Heidrick & Struggles (H&S) were in attendance. Angie Hiers reviewed the Request for Proposal process to select the executive search firm. Kay Fuhrman and Sean O’Neal provided an overview of their firm and the process. Additionally, the committee worked to calibrate the profile for the ideal candidate, and to establish a target process timeline for the search activities. Ms. Fuhrman provided a more in-depth review of the phases during a general Managing Director/CEO search including: Developing Key Criteria; Identifying and Reviewing; Interviewing and Presenting; Selection and Presentation of Offer; and Closure, Transition and Follow-up. To calibrate the success profile of the CEO candidate, Ms. Fuhrman presented questions and requested Board Member’s individual feedback. The questions included:</p> <ol style="list-style-type: none"> 1. Describe the key priorities you expect the CEO will have when they step into the role. 2. Is operational utility experience required or preferred? 3. Board Members held discussions related to the Chief Operations Officer’s (COO) role. Ms. Fuhrman highlighted the importance of understanding the COO role as it may be used to assist in clarifying the role of the Managing Director/CEO. 4. Would the Board expect the candidate to step in with prior CEO experience, holding full profit and loss accountability for a large team and a large scale of complexity? 5. Is there a targeted timeframe that the Board is expecting or prefers to move from the interim structure to the permanent CEO position? 6. What are the positive selling points of a candidate joining JEA as the Managing Director/CEO? <p>Chair Howard stated the next step will include H&S collaborating with the CEO Search Committee to formulate a job description to be proposed for the Board’s consideration at the July Board Meeting.</p> <p>Council Member Schellenberg was in attendance.</p>
<p>July 30, 2018 (Board Meeting)</p>	<p>A. CEO Search Committee Chair Husein Cumber Committee Chair Cumber provided the timeline for the CEO search process concluding with having a permanent Managing Director/CEO in position on January 1, 2019. Mr. Cumber provided information on the various assessments and background checks candidates will need to go through.</p> <p>B. Managing Director/Position Specification was included in the Board package and required approval prior to Heidrick & Struggles posting the position specification. Committee Chair noted the CEO Search Committee made revisions to the original draft during the July 16, 2018 meeting. On</p>

	motion by Ms. Johnson and second by Committee Chair Cumber, Board Members held discussions and unanimously approved the position specification.
August 1 – 21, 2018	Position Specification to be publicly published
August 21, 2018 (Board Meeting)	CEO Search Committee Chair Cumber provided an update on the CEO Search Committee, stating interviews have been scheduled for the week of October 7, 2018 with a follow-up meeting on October 17, 2018
September 15 – October 1, 2018	Search Committee worked with H&S to create a qualified candidate list
Sept. 18, 2018 (Board Meeting)	Board Vice Chair and CEO Search Committee Chair Cumber provided an update on the CEO Search process stating Committee Members will individually conduct interviews on October 9-11, 2018. The Committee will then meet on October 17, 2018 to narrow the list of candidates. Prior to the interviews, Committee Members will receive a list of questions to assist in guiding the interview process. Following the October 17, 2018 Committee Meeting, Board Members will then individually conduct phone interviews with the narrowed list of candidates. The November 27, 2018 JEA Board Meeting will consist of public interviews of the remaining candidates with an abbreviated Board agenda.
Prior to October 9, 2018	Candidate dropped from the process.
Oct. 9 – 11, 2018 In-person interviews	<p><i>These interviews were not publicly noticed because Board Members met with candidates individually.</i></p> <p>Short list of candidates were interviewed by CEO Search Committee at the DoubleTree Hotel.</p> <p>Candidates included: Cris Eugster, PhD, Pamela Hill, Frankie McDermott, Aaron Zahn, Michael Deggendorf, Gordon Gillette, Mark Ianni, Terrance Naulty, Andrew Serri</p> <p>Due to a family emergency Board Chair Howard interviewed candidates in-person on October 9th, but conducted the interviews scheduled on October 10-11th at a later date via video conference.</p> <p>Due to a flight cancellation due to weather, Cris Eugster conducted all interviews via video conference</p> <p><i>The October 17, 2018 CEO Search Committee was rescheduled for October 31, 2018 to allow Chair Howard additional time to conduct interviews.</i></p>
October 12, 2018	Currents sent to employees providing the names and resumes of the candidates including: Aaron Zahn, Andrew M. Serri, Terrance Naulty, Frankie McDermott, Mark Ianni, Pamela Hill, Gordon Gillette, Cris Eugster, Michael L Deggendorf
October 24, 2019	Gordon Gillette removed himself from the process.
October 25, 2018	Currents went out to employees providing the October 31 st CEO Search Committee meeting agenda and minutes from the July 16, 2018 committee, as well as the timeline for the CEO search.
October 31, 2018 CEO Search Committee	<p><i>This meeting was open to the public, but was not streamed. Committee Meetings historically are not streamed.</i></p> <p>Each Committee Member provided comments on the quality of the candidates. Committee Chair Cumber called upon each Committee Member to provide individual comments regarding each candidate including: Michael L. Deggendorf,</p>

	<p>Cris Eugster, Pamela Hill, Mark Ianni, Frankie McDermott, Terrance P. Naulty, Andrew M. Serri and Aaron F. Zahn.</p> <p>Committee Chair Cumber noted candidate numbers 3 and 9 dropped from the interview process. Board Members held additional discussions about the process going forward and noted November 13, 2018 will be held for individual Board Member meetings with the candidates and November 27, 2018 will include interviews with the finalists. Committee Members discussed each candidate individually. On motion by Mr. Howard, seconded by Ms. Green, the Committee voted to recommend to the Board the short list of Cris Eugster, Pamela Hill, Frankie McDermott and Aaron Zahn.</p>
November 13, 2018	<p>Cris Eugster, Pamela Hill, Frankie McDermott and Aaron Zahn met individually with Alan Howard, Husein Cumber, Frederick Newbill, John Campion, April Green, Kelly Flanagan. Due to a business scheduling conflict, Camille Johnson met with the candidate via video conference (also on November 13th).</p>
November 20, 2018	<p>CEO Candidate Frankie McDermott withdrew.</p>
November 27, 2018 (Board Meeting)	<p>Cris Eugster, Pamela Hill, Frankie McDermott and Aaron Zahn will draw lots before the Board Meeting to determine the order of interviews. At the Board meeting, they will appear individually before the Board, give a short presentation, then be publicly interviewed by the Board. Board Members will have time for Q&A. Board Members will narrow the candidates down to two via ballot and then have an open discussion on the final two candidates. This item will be for action for the Board to select the permanent MD/CEO. The Board does have the option to defer a decision to the regularly scheduled December 11, 2018 JEA Board Meeting.</p>